Status of Iron-ore mines in Jharkhand

2412. SHRI RAJKUMAR DHOOT: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the Jharkhand Government has raised doubts of SAIL's ownership of iron-ore mines in the State;

(b) if so, the details thereof; and

(c) if SAIL's mining leases for iron-ores in Jharkhand are terminated or are not extended, what alternatives are available to it to ensure optimum level of production?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) Yes, Sir.

(b)After amalgamation of Indian Iron & Steel Company Limited (IISCO) with Steel Authority of India Limited (SAIL) w.e.f. 16th February, 2006, all the concerned department of Jharkhand Government were informed about the amalgamation order issued by the Department of Company Affairs, Government of India. However, the District Mining Officer, Chaibasa, Jharkhand issued a show cause notice to General Manager, IISCO Ltd. Gua/Manoharpur and SAIL on 6th July, 2006 for giving the control of Iron ore leases at Gua & Chiria to SAIL in illegal manner and without prior approval of State Government in violation to rule 37/46 of mineral concessions rules 1960 and also the terms and conditions of the leases' agreement.

SAIL has contested this, mentioning that as per the lease agreement, the Lessee included the lease holder and also its successor. As such, the amalgamation does not violate any rule. Citing the fact of the lease agreement, the provisions in the scheme of amalgamation, approval of Board for Industrial and Financial Reconstruction (BIFR), approval of Government of India, Ministry of Steel and approval/order passed by Department of Company Affairs, Government of India, reply to show cause notice has been submitted on 13th July, 2006 to the District Mining Officer, Chaibasa, Jharkhand.

(c) If SAIL's mining leases for iron ores in Jharkhand are terminated or are not extended in favour of SAIL, then it would be difficult for SAIL to continue optimum production & it will fail to achieve its growth plan as envisaged in its corporate plan 2011-12. The integrated Steel Plant of SAIL as Burnpur & Bokaro will be affected immediately and after a few years, other integrated Steel Plants in the eastern part of India will also get affected because of very limited reserves in other mines of SAIL in Orissa region.